

# INDUSTRY UPDATE

Biweekly Period Ending September 9, 2000

## Phoenix Metro Area

### ***Manufacturing***

**Motorola's Computer Group** in Tempe expects to see its **current staff** of 1,700 **grow by as much as 1,000 workers** by the time a three-story, 176,000-square-foot building is complete **in early 2002**. The new facility, at 2900 S. Diablo Way, will house as many as 1,000 workers, including a **minimum of 400 new engineers**. The Motorola unit supplies computing products for the telecommunications, network-storage, and semiconductor industries.

### ***Construction***

**Marriott Corp.** says it will **build Arizona's largest resort and conference center** as part of the 5,723-acre Desert Ridge multi-use project in northeast Phoenix beginning in October. The high-end facility, which will include a 950-room hotel, 200,000 square feet of meeting space, two 18-hole golf courses, 10 restaurants, three swimming pools, and spa, will cost between and estimated \$250 and \$500 million. Upon scheduled completion in November 2002, Marriott says the resort, located between Tatum Boulevard and 56th Street north of Deer Valley Road, will **employ 1,700 people**.

Work on two office projects valued at nearly \$40 million will begin within the next year, while development of the second phase of an upscale retail shopping complex has already started. Developer **Woodbine Southwest** has begun work on the **second phase of Kierland Commons**, a \$65 million retail shopping center on Scottsdale Road across from the Scottsdale Airpark. About half as big as the first phase, the second section will fo-

**cus on upscale women's clothing stores.**

The first phase, which is expected to open in spring of 2001, will feature a number of high-end restaurants, including the Phoenix-area's first Cheesecake Factory restaurant. The two office projects consist of a **\$25 million, 120,000- to 150,000-square-foot complex of buildings** at Baseline and Cooper roads **in Gilbert**, and a **\$13 million, 10-building complex** at the 280-acre **Cotton Center** at Broadway Road and 48th Street **in east Phoenix**. The 26-acre Gilbert project, which is expected to start in about a year, will include high-tech and professional businesses. It is anticipated that **400 to 500 employees** of financial services, engineering and architectural companies will **occupy** the 8.6-acre, 130,000-square-foot Phoenix development, called **Cotton Center Commons**, when it's complete by the end of 2001. The Cotton Center, a multi-use business park, has several other projects under construction: a 64-acre back-office project, a 20-acre office-flex complex, and a 17-acre business park.

### ***Services***

To offset losses over the past year, a Phoenix-based maker of auto-racing collectibles has **laid off 42 employees locally** and another 15 at its operations in Charlotte, N.C. **Action Performance Companies Inc.**, which markets its products through its Internet site **goracing.com**, also restructured its manufacturing and apparel operations and renegotiated some of its sponsorship contracts.

### ***Finance, Insurance, and Real Estate***

**American Express Corp.** announced it **will**

**build a \$170 million technology center** in the northeast Valley that will be **home to 2,000 workers**, most of whom will come from several other Valley sites. The financial services company, which has about 9,000 Valley employees, plans to lease state land at 56th Street and Mayo Boulevard in Phoenix where it plans to build two 180,000-square-foot office buildings and a 100,000-square-foot building to be used primarily for training and conferences. American Express says the new facilities, which will **open in 2003**, will **allow for some new hires**.

St. Louis-based brokerage firm **Edward Jones** has **begun work** on the **first of three buildings** at Arizona State University Research Park that will house its **western headquarters**. The **first phase** of the project will be a three-story **130,000-square-foot data center** that will be completed in July and house **300 employees**. Two 100,000-square-foot buildings will follow and eventually be home to **700 additional workers**, primarily stock brokers. Edward Jones will begin recruiting workers later this year.

**Van RU Credit Corp.**, the nation's largest privately-owned collections agency, will double the workforce at one of its two Tempe operations by **adding 100 new positions**. The Park Ridge, Ill., company signed a six-year lease for nearly 24,000 square feet of office space at Corporate Fountains (Interstate 10 and Baseline Road). Van RU Credit also has an operation at Priest Drive and Broadway Road that employs 150 people.

As part of its merger with USA Group., Virginia-based **Sallie Mae** will **eliminate most of the 300 positions** at a Chandler call center. Sallie Mae, which specializes in education loans, is cutting its nationwide workforce by 25 percent to eliminate duplication of work. About 30 client relations specialists who deal with universities, lenders, and loan guarantors will continue to work in the Valley, while 274 people who answer questions for student loan clients will be laid off.

---

## Balance of State

### *Trade*

**Several "big-box" stores** will **open** their doors around the **first of the year in Yuma**, bringing about an **additional 900 sorely needed jobs** to the western Arizona city that sports one of the state's highest unemployment rates. **Wal-Mart** is more than doubling the size of its 110,000-square-foot store at 2900 S. Pacific Ave. to turn it into a **"super-store"** that will offer groceries, tire and lube service, a vision center, and eventually a bank. About **500 new employees** will be hired to go along with 75 recent hires who are setting up the store. A Sonic drive-thru restaurant is also being built on the Wal-Mart property. Meanwhile, a battle between **two home-improvement stores** will bring not only healthy competition to the area, but **about 400 jobs**. Both a 115,000-square-foot **Lowe's Home Improvement Warehouse** and a 129,000-square-foot **Home Depot** are scheduled to open in January. Lowe's will be located on the former site of a Kmart, 115 W. 32nd St., and Home Depot will occupy space in the Redondo Center, 16th Street and Interstate 8.

---

## *INDUSTRY UPDATE*

*Industry Update* is produced biweekly as a stand-alone publication and quarterly as part of *Arizona Economic Trends* by the Arizona Department of Economic Security, Research Administration. *Industry Update* is a compilation of public announcements and articles from newspapers and periodicals about business events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of industry news is not feasible. In addition, DES, Research Administration is not responsible for incorrect information reported by these sources. For more information, contact DES, Research Administration by writing to 1789 W. Jefferson St., Site Code 733A, Phoenix, AZ 85007, or calling (602) 542-3871.

---